



William J. Lipinski
CEO

November 14, 2013

Mr. Barry F. Mardock
Deputy Director, Office of Regulatory Policy
Farm Credit Administration
1501 Farm Credit Drive
McLean, Virginia 22102-5090

Dear Deputy Director Mardock:

Subject: Regulatory Burdens RIN 3052-AC88

On behalf of Farm Credit East, I am pleased to submit comments on Farm Credit Administration regulations that are inefficient or burdensome. Ensuring that regulations do not cause undue burden or hinder our ability to serve members in an effective and efficient manner is very important.

Farm Credit East serves members in the States of New York, New Jersey, Connecticut, Massachusetts, New Hampshire and Rhode Island. Our portfolio is very diverse and includes a wide variety of agricultural products, commercial fishing, and forest products businesses as well as marketing and processing firms and farm related businesses. Our market share of agricultural lending is in excess of 65% of the agricultural credit market. We finance many non-traditional agricultural operations – Community Supported Agriculture (CSAs) and farms that sell their products in urban farm markets or that are involved in value-added activities.

Farm Credit East strongly supports the Farm Credit System comments submitted by the Farm Credit Council and urges FCA to act on regulatory relief suggestions. The following are specific concerns that impact on our ability to fully serve our mission in the most effective manner:

Financing for processing or marketing operations - The idea that a marketing and processing business provides value to local agriculture only when there is "some" throughput is out of step with the realities of today's local food systems and inhibits Farm Credit's ability to serve the growing local food industry. In many instances the most important factor in the success of small-scale producers is a viable market outlet for their farm products – and very often the best and most progressive business model is a stand-alone marketing and/or processing entity (or food hub/public market) not owned or controlled by producers that can buy from multiple independent local producers. The Regulations should be updated accordingly. §613.3010

Fishing industry - Farm Credit may currently finance "farm related businesses" as eligible entities in the agriculture sector, and should also be permitted to finance related businesses which support the commercial fishing industry. Commercial fishing is the economic backbone of many rural communities in some parts of the nation and producers and harvesters of seafood are themselves very dependent on many types of infrastructure for their long-term viability. FCA regulations that

Mr. Barry F. Mardock
Page 2
November 14, 2013

address "related businesses" should be modified to match overall lending authorities (for Farmers, Ranchers and Aquatic Producers and Harvesters) so that financing for "fishing related businesses" is specifically permitted. §613.3020

Borrower Rights – Farm Credit East is fully committed and supportive of strong borrower-rights provisions. In cases where a borrower has recommended a loan restructuring plan which is accepted by the Association, it should not be required to conduct a separate least cost analysis for the restructuring request.

Participations/syndications – We understand that the participations/syndications study was implemented to assist with the definition of assignments. However, the reporting requirements around the "study" are burdensome and manually intensive. It would be appropriate for FCA to revise the definition of participation therefore eliminating the burdensome nature of the study. The study, which has been in place for several years, has proven that it is appropriate to change the definition of participation to conform to standard industry practice.

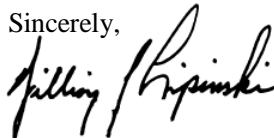
Production of documents and testimony during litigation - Per current regulations, System institutions cannot produce documents for a court proceeding until the subpoena is signed by a judge. Many states have adopted Rules of Civil Procedure allowing an attorney to act as an officer of the court and sign the subpoena, therefore not requiring a judge. In order to comply with the current FCA regulation, System institutions are oftentimes required to hire an attorney to defend the position that they cannot produce documents under the subpoena without a judge's signature. This is costly and unnecessary. The regulation should be updated to allow for an attorney to act as an officer of the court in states where that is permitted. §618.8330(b) and BL-066

Although completed after the January 2012 cut-off time established under this public comment request notification, the FCA Say on Pay regulations are unnecessary and burdensome and without Congressional authorization. These regulations are especially troubling in that they raise legal liability issues for Farm Credit System directors and should be repealed.

In the area of regulatory relief, the FCA should be diligent in their review of loan servicing requirements being incorporated through the Consumer Finance Protection Board (CFPB) assuring appropriateness, and applicability to Farm Credit System institutions. Consumer lending is a relatively small portion of the overall loan portfolios for Farm Credit institutions. CFPB rules are written for the mainstream consumer market and related consumer oriented banks where the vast majority of customers are "consumers" not businesses as is the case with System institutions.

Thank you for your consideration.

Sincerely,



William Lipinski
Chief Executive Officer

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